

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 363
Holcomb, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 363 and its related municipal entity, the Holcomb Recreation Commission (collectively referred to as the Municipal Financial Reporting Entity), as of and for the year ended June 30, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the Municipal Financial Reporting Entity on the basis of the financial reporting provisions of *the Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Municipal Financial Reporting Entity as of June 30, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Municipal Financial Reporting Entity as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds, summary of regulatory basis receipts and disbursements – agency funds, and individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the related municipal entity (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Municipal Financial Reporting Entity as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated January 30, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration, at the following link: <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget for the year ended June 30, 2018 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole, for the year ended June 30, 2017, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

January 28, 2019

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended June 30, 2018

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General funds:		
General	\$ 4	\$ -
Supplemental general	<u>68,899</u>	<u>3,685</u>
Total general funds	<u>68,903</u>	<u>3,685</u>
Special purpose funds:		
Bilingual education	173	-
Capital outlay	3,210,719	306
Driver training	23,812	-
Food service	80,371	-
Professional development	24,875	53
Special education	474,404	-
Career and postsecondary education	52,228	21
At-risk (4 year old)	1,625	-
At-risk (K-12)	5,201	-
KPERs special retirement contribution	-	-
Recreation commission	-	-
Recreation commission employee benefits	-	-
Non-budgeted special purpose funds:		
Title II-A	-	-
Gift	11,629	-
Title I-A	-	-
Title I-migrant	-	-
Holowach estate	597,439	-
Health council	6,728	-
Contingency reserve	686,918	-
Student materials	83,972	617
Title III ESL	-	-
District activity funds	<u>28,061</u>	<u>-</u>
Total special purpose funds	<u>5,288,155</u>	<u>997</u>
Bond and interest fund:		
Bond and interest	<u>505,694</u>	<u>-</u>
Capital project fund:		
Capital improvement	<u>-</u>	<u>-</u>
Total Unified School District No. 363	<u>5,862,752</u>	<u>4,682</u>

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 6,700,832	\$ 6,700,836	\$ -	\$ 499,265	\$ 499,265
2,248,731	2,150,000	171,315	27,755	199,070
<u>8,949,563</u>	<u>8,850,836</u>	<u>171,315</u>	<u>527,020</u>	<u>698,335</u>
147,590	145,582	2,181	8,956	11,137
1,024,598	569,433	3,666,190	66,379	3,732,569
17,647	18,447	23,012	8,556	31,568
516,744	568,261	28,854	16,772	45,626
38,952	38,728	25,152	5,344	30,496
834,315	810,857	497,862	-	497,862
230,582	214,489	68,342	22,872	91,214
72,598	72,082	2,141	4,550	6,691
803,310	793,293	15,218	15,784	31,002
684,725	684,725	-	-	-
445,355	428,200	17,155	-	17,155
123,232	119,000	4,232	-	4,232
19,883	19,883	-	1,494	1,494
2,842	4,164	10,307	189	10,496
173,769	173,769	-	34,303	34,303
46,000	46,000	-	3,736	3,736
3,353	4,500	596,292	-	596,292
-	-	6,728	-	6,728
-	-	686,918	-	686,918
79,020	73,760	89,849	18,590	108,439
11,941	11,941	-	10,036	10,036
167,120	164,458	30,723	-	30,723
<u>5,443,576</u>	<u>4,961,572</u>	<u>5,771,156</u>	<u>217,561</u>	<u>5,988,717</u>
<u>76</u>	<u>-</u>	<u>505,770</u>	<u>-</u>	<u>505,770</u>
<u>4,215,748</u>	<u>2,183,560</u>	<u>2,032,188</u>	<u>1,927,817</u>	<u>3,960,005</u>
<u>18,608,963</u>	<u>15,995,968</u>	<u>8,480,429</u>	<u>2,672,398</u>	<u>11,152,827</u>

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended June 30, 2018

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
Related municipal entity:		
Holcomb Recreation Commission:		
General	\$ 943,270	\$ -
Special purpose fund:		
Employee benefits	57,653	-
Total related municipal entity	1,000,923	-
Total municipal financial reporting entity (excluding agency funds)	\$ 6,863,675	\$ 4,682
Composition of cash:		
U.S.D. No. 363 accounts:		
Demand deposits		
Certificates of deposit		
Agency funds		
Total Unified School District No. 363 (excluding agency funds)		
Related municipal entity:		
Holcomb Recreation Commission:		
Demand deposits		
Total municipal financial reporting entity (excluding agency funds)		

The notes to the financial statement are an integral part of this statement.

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 657,980	\$ 711,075	\$ 890,175	\$ 2,292	\$ 892,467
<u>119,000</u>	<u>115,267</u>	<u>61,386</u>	<u>11,531</u>	<u>72,917</u>
<u>776,980</u>	<u>826,342</u>	<u>951,561</u>	<u>13,823</u>	<u>965,384</u>
<u>\$ 19,385,943</u>	<u>\$ 16,822,310</u>	<u>\$ 9,431,990</u>	<u>\$ 2,686,221</u>	<u>\$ 12,118,211</u>
				\$ 10,515,665
				<u>750,000</u>
				11,265,665
				<u>(112,838)</u>
				11,152,827
				<u>965,384</u>
				<u>\$ 12,118,211</u>

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

NOTES TO THE FINANCIAL STATEMENT

June 30, 2018

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

Unified School District No. 363 is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 363 (the Municipality) and its related municipal entity. The related municipal entity is included in the District's reporting entity because it was established to benefit the District and/or its constituents.

Holcomb Recreation Commission. The Commission oversees recreational activities. Four of the five members of the governing board are appointed by the Board of Education. The Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission has only the powers granted by K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift.

2. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2018:

REGULATORY BASIS FUND TYPES

General funds – the chief operating funds. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources (including tax levies, transfers from other funds, etc.) and payment of general long-term debt.

Capital Project fund – used to account for debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation – Fund Accounting (Continued)

Agency funds – used to report assets held by the municipal financial reporting entity in a purely custodial capacity (student organization funds, etc.).

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for general funds, special purpose funds (unless specifically exempted by statute) and bond and interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding fiscal year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for the year ended June 30, 2018.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for state and federal grant funds, capital project funds, trust funds, agency funds, and the following special purpose funds:

Gift	Contingency reserve
Holowach estate	Student materials
Health council	District activity funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. In-Substance Receipt in Transit

The District received \$387,883 subsequent to June 30, 2018 and, as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2018.

B. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2018, the District's carrying amount of deposits was \$11,265,665 and the bank balance was \$11,453,857. Of the bank balance, \$500,000 was covered by federal depository insurance and \$10,953,857 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

C. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project commitments authorized	Cash disbursements and accounts payable to date	Remaining financial commitment
WES,HES,HMS Safety and Security Upgrades	\$ 1,719,542	\$ 549,418	\$ 1,170,124
HHS Additions and Renovations	<u>327,000</u>	<u>49,050</u>	<u>277,950</u>
	<u>\$ 2,046,542</u>	<u>\$ 598,468</u>	<u>\$ 1,448,074</u>

D. LONG-TERM DEBT

Changes in long-term liabilities for the year ended June 30, 2018 were as follows:

Issue	Balance beginning of year	Additions/ net change	Reductions/ net change	Balance end of year	Interest paid
General obligation bonds: Series 2017 Issued December 28, 2017 In the amount of \$4,040,000 At interest rate of 3.00% Maturing September 1, 2033	\$ -	\$4,040,000	\$ -	\$4,040,000	\$ -
Capital leases: Copiers (Western State Bank) Issued August 18, 2015 In the amount of \$27,670 At interest rate of 2.05% Maturing August 18, 2018	<u>10,187</u>	<u>-</u>	<u>8,605</u>	<u>1,582</u>	<u>117</u>
Total Long-Term Debt	<u>\$ 10,187</u>	<u>\$4,040,000</u>	<u>\$ 8,605</u>	<u>\$4,041,582</u>	<u>\$ 117</u>

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	Principal due	Interest due	Total due
2019	\$ -	\$ 142,410	\$ 142,410
2020	75,000	120,075	195,075
2021	225,000	115,575	340,575
2022	230,000	108,750	338,750
2023	240,000	101,700	341,700
2024-2028	1,345,000	392,325	1,737,325
2029-2033	1,575,000	173,625	1,748,625
2034	<u>350,000</u>	<u>5,250</u>	<u>355,250</u>
Total	<u>\$ 4,040,000</u>	<u>\$ 1,159,710</u>	<u>\$ 5,199,710</u>

D. LONG-TERM DEBT (CONTINUED)

Current maturities of capital leases and interest through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2019	\$ 1,582	\$ 4	\$ 1,586

E. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30th was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulate that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate which totaled \$684,725 for the year ended June 30, 2018.

E. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability

At June 30, 2018, the District's proportionate share of the collective net pension liability reported by KPERS was \$8,115,035. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits. As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Section 125 Plan. The District offers a Section 125 Flexible Benefit Plan to employees electing to participate. It is used for unreimbursed medical and dependent care expenses. The plan is administered by an independent company.

Compensated Absences. The District's policy is to recognize the costs of compensated absences when actually paid. District policies address vacation for employees on twelve-month contracts and sick leave for all full-time employees. Employees on twelve-month contracts receive two weeks of vacation per year. After an employee has worked for the District for five years, they receive an additional day of vacation for each year until they receive a maximum of fifteen days of vacation. The Superintendent's vacation is noted in his contract and is normally twenty days. Vacation may be accumulated to twice the employee's annual allotment and if not used it will be lost. Upon retirement, termination, or resignation, the District pays for any accumulated vacation days. Certified employees on salary receive fifteen days of sick leave annually. Classified employees receive one sick day per month worked. An employee may not carry over more than one hundred sick days from year to year. Policies permit unused sick leave to be reimbursed if the employee has been with the District for more than fifteen years and retires or resigns at the end of the school year. The District pays for accumulated sick leave at a rate of \$1.00 per day per year of service. After twenty five years of service the rate increases to \$1.50 per day per year of service.

The potential liability for vacation and sick leave for the years ended June 30, 2018 and 2017 was \$81,655 and \$112,060, respectively.

G. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory authority</u>
General fund	Special education fund	<u>\$ 566,771</u>	K.S.A. 72-5167
Supplemental general fund	At-risk (4-year-old) fund	66,740	K.S.A. 72-5143
Supplemental general fund	At-risk (K-12) fund	803,310	K.S.A. 72-5143
Supplemental general fund	Bilingual education fund	147,590	K.S.A. 72-5143
Supplemental general fund	Food service fund	62,500	K.S.A. 72-5143
Supplemental general fund	Professional development fund	38,200	K.S.A. 72-5143
Supplemental general fund	Special education fund	255,243	K.S.A. 72-5143
Supplemental general fund	Career and postsecondary education fund	<u>230,582</u>	K.S.A. 72-5143
Total supplemental general fund		<u>1,604,165</u>	
Total operating transfers		<u>\$ 2,170,936</u>	

H. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

I. CONTINGENCIES

The District receives significant financial assistance from numerous Federal and State governmental agencies in the form of grants and pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on this financial statement.

J. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 28, 2019, the date on which the financial statement was available to be used. Management's evaluation concluded that the following subsequent event is required to be recognized or disclosed in this financial statement:

Accepted bids of \$3,775,882 for phase II of the bond construction project.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2018

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment to comply with legal maximum budget</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General funds:					
General	\$ 6,987,666	\$ (286,830)	\$ 6,700,836	\$ 6,700,836	\$ -
Supplemental general	2,150,000	-	2,150,000	2,150,000	-
Special purpose funds:					
Bilingual education	197,896	-	197,896	145,582	52,314
Capital outlay	4,164,375	-	4,164,375	569,433	3,594,942
Driver training	18,447	-	18,447	18,447	-
Food service	686,335	-	686,335	568,261	118,074
Professional development	59,000	-	59,000	38,728	20,272
Special education	932,828	-	932,828	810,857	121,971
Career and postsecondary education	231,048	-	231,048	214,489	16,559
At-risk (4 year old)	77,043	-	77,043	72,082	4,961
At-risk (K-12)	1,064,253	-	1,064,253	793,293	270,960
KPERS special retirement contribution	713,390	-	713,390	684,725	28,665
Recreation commission	428,200	-	428,200	428,200	-
Recreation commission employee benefits	119,000	-	119,000	119,000	-
	<u>17,829,481</u>	<u>(286,830)</u>	<u>17,542,651</u>	<u>13,313,933</u>	<u>4,228,718</u>
Related municipal entity:					
Holcomb Recreation Commission:					
General	1,587,000	-	1,587,000	711,075	875,925
Special purpose fund: Employee benefits	177,780	-	177,780	115,267	62,513
	<u>1,764,780</u>	<u>-</u>	<u>1,764,780</u>	<u>826,342</u>	<u>938,438</u>
	<u>\$ 19,594,261</u>	<u>\$ (286,830)</u>	<u>\$ 19,307,431</u>	<u>\$ 14,140,275</u>	<u>\$ 5,167,156</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2018		Variance favorable (unfavorable)
	2017	Actual	
Receipts:			
Taxes:			
In lieu of tax	\$ 4,019	\$ 3,904	\$ -
Interest	5,604	-	-
State sources:			
State aid	5,645,249	6,086,120	6,323,728
Special education aid	514,072	549,637	613,934
Mineral production tax	48,385	61,171	50,000
KPERS aid	452,946	-	-
Miscellaneous	27,988	-	-
Total receipts	<u>6,698,263</u>	<u>6,700,832</u>	<u>\$ 6,987,662</u>
Expenditures:			
Instruction	3,008,746	3,444,747	\$ 3,251,964
Student support services	19,181	12,888	16,650
Instructional support staff	111,664	117,180	111,542
General administration	273,146	294,443	289,340
School administration	559,463	516,811	520,314
Central services	295,426	312,326	308,321
Operations and maintenance	849,821	1,069,184	1,061,422
Student transportation services:			
Supervision	30,397	30,170	31,003
Vehicle operating services	199,833	222,933	241,158
Vehicle and maintenance services	109,418	113,383	118,422
Operating transfers	1,241,164	566,771	1,037,530
Adjustment to comply with legal maximum budget	-	-	(286,830)
Total expenditures	<u>6,698,259</u>	<u>6,700,836</u>	<u>\$ 6,700,836</u>
Receipts over (under) expenditures	4	(4)	
Unencumbered cash, beginning of year	-	4	
Unencumbered cash, end of year	<u>\$ 4</u>	<u>\$ -</u>	

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

SUPPLEMENTAL GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 1,706,009	\$ 2,113,401	\$ 2,052,461	\$ 60,940
Delinquent	9,578	11,766	12,958	(1,192)
Motor vehicle	59,269	61,804	-	61,804
Recreational vehicle	1,256	1,310	-	1,310
In lieu of tax	3,143	3,475	-	3,475
State sources:				
Supplemental state aid	-	56,975	55,900	1,075
Total receipts	<u>1,779,255</u>	<u>2,248,731</u>	<u>\$ 2,121,319</u>	<u>\$ 127,412</u>
Expenditures:				
Instruction	60,129	41,146	\$ 69,800	\$ 28,654
Student support services	48,337	93,113	101,149	8,036
Central services	-	-	1,000	1,000
Operations and maintenance	589,088	411,576	436,480	24,904
Operating transfers	<u>1,452,446</u>	<u>1,604,165</u>	<u>1,541,571</u>	<u>(62,594)</u>
Total expenditures	<u>2,150,000</u>	<u>2,150,000</u>	<u>\$ 2,150,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	(370,745)	98,731		
Unencumbered cash, beginning of year	436,723	68,899		
Prior year canceled encumbrances	<u>2,921</u>	<u>3,685</u>		
Unencumbered cash, end of year	<u>\$ 68,899</u>	<u>\$ 171,315</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

BILINGUAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<u>2017</u>	<u>2018</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from supplemental general	\$ 192,200	\$ 147,590	<u>\$ 197,723</u>	<u>\$ (50,133)</u>
Expenditures:				
Instruction	<u>192,298</u>	<u>145,582</u>	<u>\$ 197,896</u>	<u>\$ 52,314</u>
Receipts over (under) expenditures	(98)	2,008		
Unencumbered cash, beginning of year	<u>271</u>	<u>173</u>		
Unencumbered cash, end of year	<u>\$ 173</u>	<u>\$ 2,181</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 864,652	\$ 949,688	\$ 922,098	\$ 27,590
Delinquent	5,017	5,980	6,568	(588)
Motor vehicle	36,066	31,533	-	31,533
Recreational vehicle	762	668	-	668
In lieu of tax	1,593	1,561	-	1,561
Interest	-	8,898	-	8,898
Miscellaneous	118	26,270	25,000	1,270
Total receipts	<u>908,208</u>	<u>1,024,598</u>	<u>\$ 953,666</u>	<u>\$ 70,932</u>
Expenditures:				
Instruction	69,701	37,503	\$ 150,000	\$ 112,497
Student support services	-	-	80,000	80,000
Instructional support staff	4,310	-	15,000	15,000
General administration	1,585	778	10,000	9,222
School administration	-	-	20,000	20,000
Central services	-	124	5,000	4,876
Operations and maintenance	29,211	-	70,000	70,000
Transportation	130,404	482,845	100,000	(382,845)
Facility acquisition and construction services	120,262	48,183	3,714,375	3,666,192
Total expenditures	<u>355,473</u>	<u>569,433</u>	<u>\$ 4,164,375</u>	<u>\$ 3,594,942</u>
Receipts over (under) expenditures	552,735	455,165		
Unencumbered cash, beginning of year	2,657,984	3,210,719		
Prior year canceled encumbrances	-	306		
Unencumbered cash, end of year	<u>\$ 3,210,719</u>	<u>\$ 3,666,190</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 7,552	\$ 6,272	\$ 9,100	\$ (2,828)
Other	7,605	11,375	7,800	3,575
Total receipts	<u>15,157</u>	<u>17,647</u>	<u>\$ 16,900</u>	<u>\$ 747</u>
Expenditures:				
Instruction	12,922	18,447	\$ 17,947	\$ (500)
Operations and maintenance - transportation	-	-	500	500
Total expenditures	<u>12,922</u>	<u>18,447</u>	<u>\$ 18,447</u>	<u>\$ -</u>
Receipts over (under) expenditures	2,235	(800)		
Unencumbered cash, beginning of year	<u>21,577</u>	<u>23,812</u>		
Unencumbered cash, end of year	<u>\$ 23,812</u>	<u>\$ 23,012</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Federal aid	\$ 353,417	\$ 314,983	\$ 361,662	\$ (46,679)
State aid	5,179	4,936	4,720	216
Charges for services	130,967	134,238	128,920	5,318
Other	3,663	87	10,000	(9,913)
Transfer from general	-	-	76,000	(76,000)
Transfer from supplemental general	110,000	62,500	34,000	28,500
Total receipts	603,226	516,744	<u>\$ 615,302</u>	<u>\$ (98,558)</u>
Expenditures:				
Food service operations	597,905	568,261	<u>\$ 686,335</u>	<u>\$ 118,074</u>
Receipts over (under) expenditures	5,321	(51,517)		
Unencumbered cash, beginning of year	75,050	80,371		
Unencumbered cash, end of year	<u>\$ 80,371</u>	<u>\$ 28,854</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Interest	\$ -	\$ 752	\$ -	\$ 752
Transfer from supplemental general	<u>38,150</u>	<u>38,200</u>	<u>35,000</u>	<u>3,200</u>
Total receipts	38,150	38,952	<u>\$ 35,000</u>	<u>\$ 3,952</u>
Expenditures:				
Instructional support staff	<u>35,129</u>	<u>38,728</u>	<u>\$ 59,000</u>	<u>\$ 20,272</u>
Receipts over (under) expenditures	3,021	224		
Unencumbered cash, beginning of year	21,584	24,875		
Prior year canceled encumbrances	<u>270</u>	<u>53</u>		
Unencumbered cash, end of year	<u>\$ 24,875</u>	<u>\$ 25,152</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Interest	\$ -	\$ 8,517	\$ -	\$ 8,517
Other	-	3,784	-	3,784
Transfer from general	782,285	566,771	881,530	(314,759)
Transfer from supplemental general	12,536	255,243	-	255,243
Total receipts	794,821	834,315	\$ 881,530	\$ (47,215)
Expenditures:				
Instruction	770,127	807,260	\$ 924,918	\$ 117,658
Vehicle operating services	4,735	3,597	5,410	1,813
Vehicle services	-	-	2,500	2,500
Total expenditures	774,862	810,857	\$ 932,828	\$ 121,971
Receipts over (under) expenditures	19,959	23,458		
Unencumbered cash, beginning of year	454,445	474,404		
Unencumbered cash, end of year	\$ 474,404	\$ 497,862		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

CAREER AND POSTSECONDARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Transfer from general	\$ -	\$ -	\$ 30,000	\$ (30,000)
Transfer from supplemental general	184,960	230,582	185,000	45,582
Total receipts	184,960	230,582	<u>\$ 215,000</u>	<u>\$ 15,582</u>
Expenditures:				
Instruction	182,915	214,489	<u>\$ 231,048</u>	<u>\$ 16,559</u>
Receipts over (under) expenditures	2,045	16,093		
Unencumbered cash, beginning of year	50,183	52,228		
Prior year canceled encumbrances	-	21		
Unencumbered cash, end of year	<u>\$ 52,228</u>	<u>\$ 68,342</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

AT-RISK (4-YEAR-OLD) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Pre-school fees	\$ 18,680	\$ 5,858	\$ -	\$ 5,858
Transfer from supplemental general	<u>54,400</u>	<u>66,740</u>	<u>75,600</u>	<u>(8,860)</u>
Total receipts	73,080	72,598	<u>\$ 75,600</u>	<u>\$ (3,002)</u>
Expenditures:				
Instruction	<u>71,522</u>	<u>72,082</u>	<u>\$ 77,043</u>	<u>\$ 4,961</u>
Receipts over (under) expenditures	1,558	516		
Unencumbered cash, beginning of year	<u>67</u>	<u>1,625</u>		
Unencumbered cash, end of year	<u>\$ 1,625</u>	<u>\$ 2,141</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

AT-RISK (K-12) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Transfer from general	\$ -	\$ -	\$ 50,000	\$ (50,000)
Transfer from supplemental general	860,200	803,310	1,009,052	(205,742)
Total receipts	<u>860,200</u>	<u>803,310</u>	<u>\$ 1,059,052</u>	<u>\$ (255,742)</u>
Expenditures:				
Instruction	688,928	615,870	\$ 893,410	\$ 277,540
Student support services	168,084	170,223	170,843	620
Instructional support staff	-	7,200	-	(7,200)
Total expenditures	<u>857,012</u>	<u>793,293</u>	<u>\$ 1,064,253</u>	<u>\$ 270,960</u>
Receipts over (under) expenditures	3,188	10,017		
Unencumbered cash, beginning of year	<u>2,013</u>	<u>5,201</u>		
Unencumbered cash, end of year	<u>\$ 5,201</u>	<u>\$ 15,218</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ -	\$ 684,725	\$ 713,390	\$ (28,665)
Transfer from general	452,946	-	-	-
Total receipts	452,946	684,725	\$ 713,390	\$ (28,665)
Expenditures:				
Instruction	283,710	430,188	\$ 447,429	\$ 17,241
Student support services	15,096	26,904	27,699	795
Instructional support staff	5,512	8,302	8,504	202
General administration	16,373	23,774	25,553	1,779
School administration	37,775	52,234	53,871	1,637
Central services	19,720	31,222	31,460	238
Operations and maintenance	43,536	65,394	67,652	2,258
Student transportation services	15,798	22,913	26,389	3,476
Food service operations	15,426	23,794	24,833	1,039
Total expenditures	452,946	684,725	\$ 713,390	\$ 28,665
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

RECREATION COMMISSION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 389,185	\$ 427,467	\$ 414,960	\$ 12,507
Delinquent	2,311	2,694	2,956	(262)
Motor vehicle	15,721	14,190	-	14,190
Recreational vehicle	332	301	-	301
In lieu of taxes	717	703	-	703
Other	-	-	10,284	(10,284)
Total receipts	408,266	445,355	<u>\$ 428,200</u>	<u>\$ 17,155</u>
Expenditures:				
Community service operations	408,266	428,200	<u>\$ 428,200</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	17,155		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 17,155</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

RECREATION COMMISSION EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 108,137	\$ 119,238	\$ 115,321	\$ 3,917
Delinquent	528	321	822	(501)
Motor vehicle	3,796	3,407	-	3,407
Recreational vehicle	80	71	-	71
In lieu of taxes	199	195	-	195
Other	-	-	2,857	(2,857)
Total receipts	112,740	123,232	<u>\$ 119,000</u>	<u>\$ 4,232</u>
Expenditures:				
Community service operations	112,740	119,000	<u>\$ 119,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	4,232		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 4,232</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2018

	Title II-A	Gift	Title I-A	Title I- migrant
Receipts:				
Federal aid	\$ 19,883	\$ -	\$ 173,769	\$ 46,000
Interest	-	-	-	-
Rental fees and books	-	-	-	-
Other grants and donations	-	2,842	-	-
	19,883	2,842	173,769	46,000
Total receipts				
Expenditures:				
Instruction	19,883	4,164	173,769	46,000
Instructional support staff	-	-	-	-
Scholarships	-	-	-	-
	19,883	4,164	173,769	46,000
Total expenditures				
Receipts over (under) expenditures	-	(1,322)	-	-
Unencumbered cash, beginning of year	-	11,629	-	-
Prior year canceled encumbrances	-	-	-	-
	-	-	-	-
Unencumbered cash, end of year	\$ -	\$ 10,307	\$ -	\$ -

See Independent Auditor's Report.

<u>Holowach estate</u>	<u>Health council</u>	<u>Contingency reserve</u>	<u>Student materials</u>	<u>Title III ESL</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 11,941	\$ 251,593
3,333	-	-	-	-	3,333
-	-	-	79,020	-	79,020
20	-	-	-	-	2,862
<u>3,353</u>	<u>-</u>	<u>-</u>	<u>79,020</u>	<u>11,941</u>	<u>336,808</u>
-	-	-	73,760	5,503	323,079
-	-	-	-	6,438	6,438
<u>4,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>
<u>4,500</u>	<u>-</u>	<u>-</u>	<u>73,760</u>	<u>11,941</u>	<u>334,017</u>
(1,147)	-	-	5,260	-	2,791
597,439	6,728	686,918	83,972	-	1,386,686
-	-	-	617	-	617
<u>\$ 596,292</u>	<u>\$ 6,728</u>	<u>\$ 686,918</u>	<u>\$ 89,849</u>	<u>\$ -</u>	<u>\$ 1,390,094</u>

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

BOND AND INTEREST FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Delinquent	\$ 514	\$ 76	\$ -	\$ 76
Motor vehicle	3	-	-	-
Total receipts	<u>517</u>	<u>76</u>	<u>\$ -</u>	<u>\$ 76</u>
Expenditures:				
Debt service:				
Principal	-	-	\$ -	\$ -
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts over (under) expenditures	517	76		
Unencumbered cash, beginning of year	<u>505,177</u>	<u>505,694</u>		
Unencumbered cash, end of year	<u>\$ 505,694</u>	<u>\$ 505,770</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2018

	2018
Receipts:	
Interest	\$ 4,122
Bond premiums	171,626
Debt proceeds	4,040,000
Total receipts	4,215,748
Expenditures:	
Architectural services	467,131
Building improvements	1,603,542
Debt issuance costs	112,887
Total expenditures	2,183,560
Receipts over (under) expenditures	2,032,188
Unencumbered cash, beginning of year	-
Unencumbered cash, end of year	\$ 2,032,188

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2018

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
Gate receipts:						
High school:						
Gate receipts	\$ 1,027	\$ 41,780	\$ 41,787	\$ 1,020	\$ -	\$ 1,020
Activities director	308	1,084	1,392	-	-	-
Subtotal high school	<u>1,335</u>	<u>42,864</u>	<u>43,179</u>	<u>1,020</u>	<u>-</u>	<u>1,020</u>
Middle school:						
Gate receipts	393	-	393	-	-	-
Athletic director	88	850	938	-	-	-
Subtotal middle school	<u>481</u>	<u>850</u>	<u>1,331</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal gate receipts	<u>1,816</u>	<u>43,714</u>	<u>44,510</u>	<u>1,020</u>	<u>-</u>	<u>1,020</u>
School projects:						
High school:						
Fees	-	23,918	23,918	-	-	-
National Honor Society	31	-	-	31	-	31
Yearbook	13,887	18,018	18,390	13,515	-	13,515
Concession	5,404	47,322	44,548	8,178	-	8,178
All sports tournament	2,872	22,454	22,623	2,703	-	2,703
Holcomb coaches	1,589	5,360	3,735	3,214	-	3,214
Subtotal high school	<u>23,783</u>	<u>117,072</u>	<u>113,214</u>	<u>27,641</u>	<u>-</u>	<u>27,641</u>
Middle school:						
Fees	-	5,908	5,908	-	-	-
Morning stepper	140	-	-	140	-	140
MS concessions	2,322	426	826	1,922	-	1,922
Subtotal middle school	<u>2,462</u>	<u>6,334</u>	<u>6,734</u>	<u>2,062</u>	<u>-</u>	<u>2,062</u>
Subtotal school projects	<u>26,245</u>	<u>123,406</u>	<u>119,948</u>	<u>29,703</u>	<u>-</u>	<u>29,703</u>
Total district activity funds	<u>\$ 28,061</u>	<u>\$ 167,120</u>	<u>\$ 164,458</u>	<u>\$ 30,723</u>	<u>\$ -</u>	<u>\$ 30,723</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2018

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Student organization funds:				
High school:				
Class of 2015	\$ 382	\$ -	\$ -	\$ 382
Class of 2016	724	-	-	724
Class of 2017	1,194	8	402	800
CBI SB	1,393	527	573	1,347
Art club	735	4,805	5,149	391
JAG	2,783	-	1,127	1,656
Girls basketball	28	335	335	28
Class of 2019	-	7,390	6,938	452
Class of 2018	1,235	-	1,235	-
FFA	32,615	49,684	46,330	35,969
FCCLA	1,574	8,386	8,527	1,433
Chorus	1,890	1,505	2,121	1,274
Band	2,392	1,258	988	2,662
Boys golf fundraiser	1,307	605	1,392	520
Girls golf fundraiser	1,149	504	959	694
RIA metal	1,280	753	365	1,668
Drama club	4,466	1,259	859	4,866
Cheerleaders	-	4,073	3,069	1,004
Dance	601	610	1,042	169
Bowling fundraiser	2,326	-	136	2,190
Gifted resource	59	-	-	59
Photo journalism	228	-	-	228
Odyssey of the Mind	4,418	-	-	4,418
CBI EB	1,217	527	704	1,040
Student council	4,167	2,188	3,515	2,840
KAY club	2,334	3,988	4,686	1,636
Book club	309	2,379	2,444	244
Class of 2012	345	-	-	345
Class of 2014	185	-	-	185
Class of 2011	379	-	-	379
Volleyball fundraiser	-	1,983	1,983	-
Football fundraiser	9	5,623	5,632	-
Leadership program	669	2,014	2,182	501
HALO	641	6,077	5,067	1,651
Student activity fund	1,119	6,417	3,358	4,178
SADD	1,392	2,641	2,009	2,024
Forensics	1,127	-	73	1,054
Science club	2,991	20	306	2,705
Cross country	365	-	360	5
Baseball fundraiser	383	4,786	5,169	-
Wrestling fundraiser	251	1,090	460	881
Boys basketball fundraiser	68	1,494	1,562	-
Softball fundraiser	478	-	-	478
Foreign language	6,752	-	764	5,988
Subtotal high school	87,960	122,929	121,821	89,068

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2018

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Student organization funds (continued):				
Middle school:				
Cheerleaders	\$ 120	\$ -	\$ -	\$ 120
Student council	1,464	2,923	2,643	1,744
HMS art club	180	3,913	3,589	504
Middle school kay club	1,432	3,851	4,390	893
W.A.W.	1,972	584	316	2,240
7th grade class	3	-	-	3
Anime Club	-	187	62	125
A.R. reading	317	-	-	317
Middle school math	39	-	-	39
Poetry slam	30	-	-	30
National history day	334	-	-	334
MS track club	495	-	-	495
Subtotal middle school	<u>6,386</u>	<u>11,458</u>	<u>11,000</u>	<u>6,844</u>
Elementary school:				
2nd grade teacher	97	-	-	97
Elementary fun	5,723	5,416	7,759	3,380
4th Grade Acct	-	718	630	88
Elementary music	746	-	-	746
Elementary STUCO	3,032	1,048	50	4,030
Elementary craft fair	542	-	-	542
5th grade special projects	6,476	3,335	3,251	6,560
Elementary PTO book fair	4,740	5,431	8,736	1,435
Subtotal elementary school	<u>21,356</u>	<u>15,948</u>	<u>20,426</u>	<u>16,878</u>
Total student organization funds	<u>115,702</u>	<u>150,335</u>	<u>153,247</u>	<u>112,790</u>
Clearing funds:				
High school sales tax	195	9,992	10,176	11
Middle school sales tax	11	632	606	37
Total clearing funds	<u>206</u>	<u>10,624</u>	<u>10,782</u>	<u>48</u>
Total agency funds	<u>\$ 115,908</u>	<u>\$ 160,959</u>	<u>\$ 164,029</u>	<u>\$ 112,838</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

**HOLCOMB RECREATION COMMISSION
(A RELATED MUNICIPAL ENTITY)**

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017	2018		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Appropriation from Unified School District No. 363	\$ 408,266	\$ 428,200	\$ 431,898	\$ (3,698)
Program fees	83,872	74,648	80,000	(5,352)
Wellness center	80,050	93,597	62,000	31,597
Reimbursements	19,448	1,347	10,000	(8,653)
Interest	542	1,847	246	1,601
Donations	5,500	6,875	5,000	1,875
Miscellaneous	17	321	-	321
Pool	39,612	32,897	38,000	(5,103)
Rent	12,505	12,800	12,000	800
Special events	6,045	5,167	4,000	1,167
Transfer from employee benefits	1,222	281	-	281
Total receipts	657,079	657,980	\$ 643,144	\$ 14,836
Expenditures:				
Advertising	662	1,692	\$ 3,500	\$ 1,808
Capital outlay	38,030	111,119	900,000	788,881
Communications	8,374	8,655	10,000	1,345
Insurance	31,456	21,724	35,000	13,276
Janitorial	3,340	4,795	5,000	205
Maintenance	24,029	21,180	30,000	8,820
Office	21,378	25,272	30,000	4,728
Pool	25,442	21,545	30,000	8,455
Payroll	347,979	355,497	380,000	24,503
Professional dues and permits	1,300	1,792	3,000	1,208
Professional fees	6,155	6,306	8,000	1,694
Programs	55,360	48,118	60,000	11,882
Refunds	8,370	5,086	9,000	3,914
Testing	-	-	1,000	1,000
Travel and training	4,655	7,549	6,000	(1,549)
Utilities	46,833	46,522	50,000	3,478
Vehicle expense	6,528	7,323	8,000	677
Wellness center	15,544	16,017	18,500	2,483
Miscellaneous	1,147	883	-	(883)
Total expenditures	646,582	711,075	\$ 1,587,000	\$ 875,925
Receipts over (under) expenditures	10,497	(53,095)		
Unencumbered cash, beginning of year	932,773	943,270		
Unencumbered cash, end of year	\$ 943,270	\$ 890,175		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

HOLCOMB RECREATION COMMISSION
(A RELATED MUNICIPAL ENTITY)

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<u>2017</u>	<u>2018</u>		Variance favorable (unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Appropriation from Unified School District No. 363	\$ 112,740	\$ 119,000	\$ 119,872	\$ (872)
Expenditures:				
Employee benefits	119,532	114,986	\$ 177,780	\$ 62,794
Transfer to general	1,222	281	-	(281)
Total expenditures	<u>120,754</u>	<u>115,267</u>	<u>\$ 177,780</u>	<u>\$ 62,513</u>
Receipts over (under) expenditures	(8,014)	3,733		
Unencumbered cash, beginning of year	<u>65,667</u>	<u>57,653</u>		
Unencumbered cash, end of year	<u>\$ 57,653</u>	<u>\$ 61,386</u>		

See Independent Auditor's Report.